SUMMIT
COMMUNICATIONS, INC.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

September 23, 1997

Office of the Secretary
Federal Communications Commission
1919"M" Street, Northwest
Washington, DC 20554

Re: Comments of Summit Communications, Inc., concerning the Further Notice of Proposed Rulemaking, MM Docket 92-260 released August 28, 1997. Implementation of the Cable Television Consumer Protection and Competition Act of 1992: Cable Home Wiring.

Enclosed are an original and nine copies of our comments regarding the Further Notice of Proposed Rulemaking described above. We hope that the views of this small cable television operator will be useful to the commission in formulating final rules regarding home run wiring.

If you should have any questions about the enclosed, please do not hesitate to call.

Sincerely,

Hirshfield

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, DC 20554

In the Matter of	)	
	)	
Implementation of the Cable Television	)	
Consumer Protection and Competition	)	
Act of 1996:	)	
	)	
Cable Home Wiring	)	260
	)	MM Docket no. 92-~~960~~

To: The Commission

COMMENTS OF SUMMIT COMMUNICATIONS, INC., CONCERNING THE NOTICE OF PROPOSED RULEMAKING RELEASED AUGUST 28, 1997

Date: September 23, 1997

James A. Hirshfield
President

Summit Communications, Inc.
3633 136th Place Southeast, Suite 107
Bellevue, Washington 98006
(425) 747-4600

Comments of Summit Communications, Inc.
Home Run Wiring
September 23, 1997

Introduction

Summit Communications, Inc. is a Small Cable Company serving 40,000 customers in 31 cable television systems. Summit operates its largest cable system in Seattle, Washington. In some areas of this system Summit competes directly with TCI, DirecTV and private cable operators for customers and for MDU rights. Summit's comments relate to Section III. C. 1., Building-by-Building Disposition of Home Run Wiring.

Competitive Issues

Summit endorses the Commission's proposed rules for disposition of home run wiring. The issue which seems to arise most often is creating a smooth transition for those customers changing providers. The Commission's rules establishing a procedure for disposition of wiring are sound.

In Section 36, we agree that a penalty is appropriate for incumbent providers electing to remove their home run wiring and then failing to do so. In Section 37, we doubt that market forces will provide adequate incentives for reaching a reasonable price. The incumbent's incentive is to continue serving the MDU customers. If the incumbent can buy time by failing to agree on a price for wiring, the time so obtained may have more value than the wire. A default price would be beneficial. We suggest it be the depreciated value of the wiring. Alternatively, it could be the fair market value (i.e., cost to duplicate, reduced to equate the ages of the original and duplicated equipment).

In Section 38, an MDU owner may not be able to reach agreement with the incumbent on price of wiring (the incumbent is incented to remain the service provider, as discussed above), but may not wish the wiring removed if it is inside the walls (as it would be, for instance, in a prewired frame building). While the cost of returning the building to its previous condition provides some incentive to the incumbent to be reasonable, the knowledge that a subsequent provider would have to pay the (much greater) cost to "fish" the wiring inside existing walls (assuming the owner may require this), and thus might choose not to serve the building for this reason, provide incentive for the incumbent to threaten removal and, indeed, to proceed with such removal. Thus we recommend that the owner have the right to purchase Home Run Wiring at its depreciated or fair market value in lieu of removal.

We found no provision directed toward ensuring continuity of service in an MDU changing providers. The incumbent has incentive to turn off service well in advance of the end of the proposed 90 day period set up to sort out future ownership of the wiring, in order to induce the MDU owner to renew service with the incumbent. We recommend that "outgoing" providers be required to continue service until a minimum of 90 days after the question of wiring ownership is decided, or earlier if the owner requests earlier service termination.

Respectfully submitted,

Summit Communications, Inc.

By: ________________
James A. Hirshfield, Jr.
President